IN THE CLAIMS:

Please amend the claims as follows:

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- 4. (Amended) The thermosetting water-based resin composition according to claim 1 or 2, further comprising a compound having two or more radical-polymerizable unsaturated bonds.
- 6. (Amended) The thermosetting water-based resin composition according to claim 1 or 2, further comprising an acetylene glycol compound represented by the formula (I):

wherein each of R^1 to R^4 is independently a linear alkyl group having 1 to 6 carbon atoms and a branched alkyl group having 3 to 6 carbon atoms; and each of m and n is an integer of 0 or more.

- 7. (Amended) The thermosetting water-based resin composition according to claim 1 or 2, further comprising a wax.
- 8. (Amended) The thermosetting water-based resin composition according to claim 1 or 2, wherein the polycondensation resin has a saponification value of from 150 to 750 mg KOH/g.

- 12. (Amended) The process according to claim 9 or 10, wherein the polycondensation resin has a saponification value of from 150 to 750 mg KOH/g.
 - 13. (Amended) A molding compound composition comprising the water-based resin composition of claim 1 or 2.